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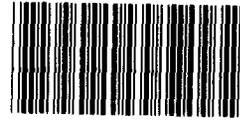


United States
General Accounting Office
Washington, D.C. 20548

Resources, Community, and
Economic Development Division

B-229205

June 16, 1992



146879

The Honorable Larry LaRocco
House of Representatives

Dear Mr. LaRocco:

This letter responds to your February 5, 1992, request regarding our report Federal Land Management: The Mining Law of 1872 Needs Revision (GAO/RCED-89-72, Mar. 10, 1989). Our report discussed the mining law's patent provision, which allows claim holders who have located claims on federal land to obtain fee simple title to both the land and the minerals after meeting certain requirements and paying a nominal amount to the federal government. Claim location refers to the act of posting a location notice on a claim, marking the claim boundaries, and recording the claim where required.

Our report stated that under the mining law's patent provision, lands were being removed from federal ownership without the government's receiving a fair return. The government's return is limited to the nominal patenting fee established in 1872, although land prices have escalated, primarily near expanding communities, resort areas, and tourist attractions. You noted that the claims for the sites discussed in our report may have been located before the land escalated in value, and you requested that we provide you with the dates that the claims were located.

According to information provided by the Department of the Interior's Bureau of Land Management, the claims located for the 20 patent and 12 patent application sites discussed in our March 1989 report were located as early as 1893 and as recently as 1986. The specific dates that the claims were located are presented in enclosures 1 and 2, respectively. We did not independently verify these dates.

Although we did not determine when the land covered by the claims escalated in value, the value of the land at the time it was claimed does not affect the concerns raised in our March 1989 report. Our basic concerns were that patenting

GAO/RCED-92-199R, Location Dates for Mining Claims

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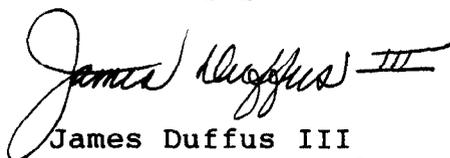
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(1) does not ensure mineral production and (2) means that the government loses ownership of public lands and does not receive a fair return.

As discussed in our report, patenting is not necessary for mineral exploration, development, or production. The mining law gives claim holders the right to use the land for mining-related activities and to sell the minerals extracted without the federal government's relinquishing title to the land. Moreover, the mining law's patent provision runs counter to more recent national natural resource policies and legislation that provide for keeping public lands under federal stewardship unless disposal is in the national interest and for receiving fair market value when the government disposes of land. Our report recommended that the Congress amend the Mining Law of 1872 to eliminate the patenting of both hardrock minerals and the land required to mine them; if the Congress decides not to eliminate the patenting provision, our report recommended that the Congress (1) permit claim holders to patent only the minerals, thereby retaining the land in federal ownership, or (2) require the federal government to obtain fair market value for the lands patented.

Please contact me at (202) 275-7756 if you or your staff have any questions concerning this letter.

Sincerely yours,



James Duffus III
Director, Natural Resources
Management Issues

Enclosures - 2

YEAR OF LOCATION FOR PATENTED CLAIMS

Name	Town/state	Year claims located ^a
Phelps Dodge Corp.	Prescott, Ariz.	1973
Johnson & Johnson	Mesa, Ariz.	1953
Melluzzo & Nichols	Phoenix, Ariz.	1953
Phoenix Sand & Rock	Phoenix, Ariz.	1955
Melluzzo	Phoenix, Ariz.	1954 ^b
M. Batesel	Carson City, Nev.	1955
H. Bunkowski	Carson City, Nev.	1945/1947
H. Bunkowski	Carson City, Nev.	1960
H. Bunkowski	Carson City, Nev.	1947
Gornowich Sand & Gravel	Boulder City, Nev.	1952/1954
Yeager	Searchlight, Nev.	1936/1973
Paul Brawer	Las Vegas, Nev.	1960
Stocks Mill & Supply Co.	Las Vegas, Nev.	1942
Stocks Mill & Supply Co.	Las Vegas, Nev.	1942
Pitkin Iron Corp.	Aspen, Colo.	1960
Webster	Leadville, Colo.	1946/1966
Hinton-Keystone Co.	Keystone, Colo.	1980
Paul Graham	Tuttletown, Calif.	1914/1925
Paul & Judith Ramm	Jackson, Calif.	1958
J & D Marquis	West Point, Calif.	1962

^aPatents often cover multiple claims. The dates of location provided in this table cover the earliest and latest dates for the claims associated with each patent.

^bBLM's Arizona State Office reported that the files on the Melluzzo patent had been retired to the federal records center and were not readily available. Office officials believe that the claims were located in 1954.

YEAR OF LOCATION FOR PATENT APPLICATIONS

Name	Town/state	Year claims located ^a
Onanon Inc.	Bullhead, Ariz.	1969/1982
Asarco, Inc.	Tucson, Ariz.	1980
Tognoni (MSC)	Flagstaff, Ariz.	1953
Superior Companies	Campe Verde, Ariz.	1983/1986
Haase & Whitson	Black Canyon, Ariz.	1985
Anamax Mining Co.	Green Valley, Ariz.	1893/1967
Great Star Cement Corp.	Las Vegas, Nev.	1986
Edgar, et al.	Laughlin, Nev.	1982
Commercial Minerals, Inc.	Buena Vista, Colo.	1953
Humbert Gamba	Glenwood Springs, Colo.	1986
Cyrus Colburn	Breckenridge, Colo.	1896/1917
Cache Properties	Breckenridge, Colo.	1906

^aPatents often cover multiple claims. The dates of location provided in this table cover the earliest and latest dates for the claims associated with each patent application.

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